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SUBJECT: HDZ: PARTY CONGRESS HIGHLIGHTS EURO CREDENTIALS

REF: A. ZAGREB 233

¶B. ZAGREB 159

¶C. ZAGREB 01

1D. 05 ZAGREB 1844

- 11. SUMMARY AND COMMENT: The ruling Croatian Democratic Union (HDZ) used its 10th biennial party convention on April 1 in Vukovar to highlight its progress in bringing the country closer to Europe and EU membership. With leadership elections not due for another two years, this "reporting" congress instead served as a platform for Prime Minister and party president Ivo Sanader to pat himself on the back with one hand and poke a sharp stick at his political opponents with the other. Sanader cashed in on his ties to the European People's Party (EPP), hosting EPP president Wilfred Martens at the convention and accepting video messages of support from EPP-affiliated prime ministers of EU member states.
- 12. The party chose the Vukovar venue not only as a symbol of Croatia's Homeland War but also as a message to residents of Eastern Slavonia that the HDZ has not abandoned them to the right-wing forces of Branimir Glavas (ref A). The convention sparked sharp reactions from opposition parties and raised political temperatures closer to campaign level, signifying both an informal start to the long march to parliamentary elections expected in November 2007 and a final skirmish before four local by-elections on April 9 (septel). END SUMMARY AND COMMENT.

REACHING OUT TO PARTNERS, SLAPPING BACK AT OPPONENTS

- 13. Some 3500 HDZ delegates reasserted party unity and absolute support for PM Sanader and his government. In his speech, Sanader stood by his 2003 election promise that his government would reduce taxes and unemployment and raise the living standard. He also promised specific infrastructure projects to Slavonia in a bid to shore up local support. Responding to criticism from the opposition earlier in the week, Sanader said that Croatia would now been in the EU had he become the Prime Minister in 2000 instead of his predecessor Ivica Racan of the Social Democratic Party (SDP). At the same time, Sanader singled out the center-right Croatian Peasant Party (HSS) (ref B) and the right-wing Croatian Party of Rights (HSP) (ref D) as desirable coalition partners.
- 14. In addition to slamming his domestic opponents, Sanader criticized the European left, too, for thinking "they are the only ones to know what democracy and Europe are about," adding that there would not be a European Union without the center-right parties. EPP president Wilfred Martens of Belgium addressed the convention and strongly supported the HDZ and its pro-European policies. He said he believes

Croatia will be ready to take part in the 2009 elections for the European Parliament.

OPPOSITION REACTS WITH VENOM, ANALYSTS WITH A YAWN

15. Center-left political parties did not let Sanader's statements in Vukovar go unanswered. Vesna Pusic of the Croatian People's Party (HNS) -- a partner in the former Racan government -- recalled Croatia's isolation after the last HDZ government and said the country would now "lag behind Ukraine" had Sanader won power in 2000. Vice-President of the Social Democratic Party (SDP) Zeljka Antunovic went at least a step further: she accused Sanader of "trading" Croatian regions of Istria and Dalmatia for the support of Italian Prime Minister Berlusconi, alluding to the surrender of those regions to fascist Italy in WWII by then-Croatian Ustasha leader Ante Pavelic. Antunovic charged that "concessions" to Italians included Sanader's acceptance of more liberal allocation of Italian citizenship to Croatian citizens as well as Italian demands for the purchase of Croatian real estate under privileged conditions. Independent analysts described the HDZ gathering as "grey and boring" although somewhat "kitschy" in its promotion of PM Sanader as unquestionable leader. FRANK